STAFF REPORT

CLEANUP AND ABATEMENT ORDER
FOR
COFFEE PETROLEUM, INC.
COFFEE LEASE
ROUND MOUNTAIN OIL FIELD, KERN COUNTY

Coffee Petroleum, Inc. (Coffee) discharges non-hazardous oil field production wastewater to four surface impoundments (sumps) at the Coffee Lease in the Round Mountain Oil Field, Kern County, currently regulated by Waste Discharge Requirements (WDRs) Resolution No. 58-375. The lease is in the Pyramid-Coffee Canyon Area of the Round Mountain Oil Field, approximately six miles northeast of the City of Bakersfield and directly adjacent to Poso Creek. The lease includes 145.36 acres in the NW¼ of Section 8, T28S, R29E, MDB&M.

The sumps are unlined and do not meet the prescriptive construction criteria for Class II surface impoundments as specified in Title 27, CCR, Section 20005, et seq. Coffee's wastewater is or probably will be discharged into the waters of the state and creates or threatens to create a condition of pollution and/or nuisance.

Seasonal water flow in Poso Creek, a water of the U.S., occurs from runoff in the Greenhorn Mountains, traverses the Coffee Lease, and flows west into the San Joaquin Valley, terminating at the Kern National Wildlife Refuge. Coffee is discharging oilfield production wastewater into unlined sumps directly adjacent to Poso Creek. Three sumps are on the Miocene Olcese Sand, approximately 200 feet north of alluvium deposited by Poso Creek. The fourth sump is on the Poso Creek alluvium. Surface water beneficial uses as designated by the Basin Plan include: agricultural supply, water contact and non-contact water recreation, warm freshwater habitat; cold freshwater habitat; wildlife habitat, freshwater replenishment, and groundwater recharge. Groundwater is shallow and of high quality, with beneficial uses including: municipal and domestic supply, agricultural supply, and industrial service supply.

During two inspections in 2003 and 2004, Regional Water Board staff observed wastewater flowing from the sumps into a ditch, where it was observed discharging onto Poso Creek alluvium. Wastewater discharged onto the Poso Creek alluvium has the potential to degrade shallow groundwater in the alluvium, which is in hydraulic continuity with, and is recharged by, water flow in Poso Creek.

Approximately 139,900 barrels (5.88 million gallons) of wastewater was discharged to the sumps during the 12-month period ending on 30 April 2006 (16,100 gallons per day). During May of 1999 and 2005, Regional Water Board staff sampled wastewater flowing into the sumps. Analytical results indicated the following characteristics:

Parameter	Concentration	
	May 2005	May 1999
Electrical Conductivity (EC) at 25^{o} C	2,000 µmhos/cm	2,200 µmhos/cm
Total Dissolved Solids	1,100 mg/L	Not Measured
Chloride	420 mg/L	420 mg/L
Boron	1.2 mg/L	1.6 mg/L

To protect the beneficial uses of groundwater and to prevent its degradation, the Basin Plan contains maximum salinity limits for the disposal of petroleum production wastewater in unlined impoundments overlying groundwater with existing and future probable beneficial uses. The maximum concentration limits are: EC @ 25^{o} C, 1,000 µmhos/cm; chloride, 200 mg/L; and, boron, 1 mg/L.

Non-hazardous waste that contains pollutants that, under ambient environmental conditions at a waste management unit, could be released in concentrations exceeding applicable water quality objectives or that could reasonably be expected to affect beneficial uses of the waters of the state is defined in California Water Code, Section 13173 (b) as "Designated Waste." The wastewater exceeds applicable water quality objectives and has the potential to affect beneficial uses of waters of the state, and is classified as designated waste.

In 1975, following a study by DWR, new or revised WDRs were to have been adopted for all oil field operators discharging wastewater in the area. The WDRs required compliance with the numerical salinity limits contained in Resolution 71-122, *Interim Water Quality Control Policy for Ground and Surface Waters in the Poso Creek Subarea, Kern County*. The Resolution declared that to halt further groundwater degradation by oilfield wastewaters, all WDRs needed to include the numerical limitations identical to those contained in the current Basin Plan. Coffee's wastewater salinity concentrations exceed by two times, the numerical salinity limits prescribed in Resolution 71-122 and those currently prescribed by the Basin Plan. Coffee purchased the lease in 1998, and Regional Water Board staff has worked with Coffee since the purchase regarding how achieve compliance. Coffee acknowledges being in violation of the Basin Plan limitations. Other oilfield operators in the area are in compliance, with many/most discharging wastewater into Class II injection wells. No other oilfield operators are known to be discharging wastewater to land near Poso Creek.

The time schedule in the CAO requires Coffee to: (1) immediately cease all unpermitted wastewater discharges in violation of the Basin Plan; (2) submit by 30 November 2006 a Compliance Plan describing a wastewater disposal process that will result in compliance with the Basin Plan and this Order; (3) submit by 28 February 2007 a Compliance Report describing implementation of the approved compliance plan; (4) submit by 30 April 2007 a Sump Closure Plan describing the process to close the sumps; and, (5) submit by 31 August 2007 a Closure Certification Report describing the closure of the sumps.

The finding and this action are consistent with Regional Water Board policy/guidelines and implementation of the Basin Plan numerical limitations within the oilfield industry throughout Region 5.

The action to adopt the proposed CAO is an enforcement action taken by a regulatory agency and is exempt from the provisions of the California Environmental Quality Act (Public Resources Code, Section 21000, et seq.), pursuant to Title 14 CCR, Section 15321(a)(2). The implementation of the proposed CAO is also an action to assure the restoration of the environment and is exempt from the provisions of the California Environmental Quality Act (Public Resources Code, Section 21000, et seq.), in accordance with Title 14 CCR, Section 15308 and 15330.

DLW
08/01/06